As independent aggregators of the industry, BFS is uniquely positioned to conduct surveys across a broad representation of studios throughout North America, all of whom utilize varying software providers and modalities. We believe it is our responsibility to compile and analyze this data in an effort to empower business owners with a deeper understanding of the current state of the industry. Through data, research, and conversation we can begin to identify the best strategies to support our studios on the ground and help our industry continue to recover.

It’s essential that the boutique fitness industry band together to learn from the past and innovate for the future with data driven, connected conversations and a collective mission: to spread health, fitness, and wellness.
The theme of recovery continues...

“This report clearly demonstrates that the industry is on the path to recovery and we remain optimistic about the long term prospect for growth for the boutique fitness industry. As has always been the case, growth doesn’t come without challenges but together these can be solved for and overcome as a community”

– Julian Barnes
Co-Founder and CEO of BFS
Survey Respondent Profile

Results compiled from over 250 Studios in October 2022
Representing 31 States and 6 countries...

*The UK, Canada, Hong Kong, Australia and New Zealand were also represented*
The majority of respondents represent 1 location yoga studio owners.
Location breakdown...

- 2 to 3: 20%
- 4 to 5: 8%
- More than 5: 10%
- Virtual: 1%
- Fall 2022 Studio Owner Report. All Rights Reserved ©
Modality Breakdown...

Based on the studio’s core modality. 
Majority of studios now offer complimentary modalities to core offering.
The Responses
#1 business objective for the rest of 2022

- **Increasing membership**: 61%
- **Launching new programs**: 2%
- **Opening a new location**: 10%
- **Returning to/reaching profitability**: 20%
- **Implementing new SOPs**: 5%
- **Expanding virtual offerings**: 2%
Top 3 business challenges today

Client acquisition - 67%
Developing a growth strategy - 58%
Client retention - 42%

Hiring Instructors - 33%
Burnout for yourself and/or your team - 28%
Studio Operations - 24%
Time Management - 15%
Hiring Front Desk - 13%
Hiring Managers - 12%
Adjusting to the new work-from-home environment - 8%

Every studio owner selected their top 3 challenges and this slide shows the aggregate of those responses.
Scheduling Platform utilized

- Wellness Living: 28%
- Mindbody: 31%
- Mariana Tek: 15%
- Walla: 8%
- ClubReady: 8%
- Other: 10%
Marketing automation platforms utilized

- MailChimp: 22%
- Brandbot: 19%
- None: 13%
- Other: 18%
- Constant Contact: 9%
- FitGrid: 8%
- Loyalsnap: 4%
- Emma: 2%
- GoHighLevel: 2%
- Axle: 3%

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69% of studios are earning at least 75% of their 2019 revenues (based on average monthly gross revenue)
43% of studios are profitable in 2022 YTD
The most prevalent business model among studios is recurring memberships.
The most popular service offered by studios is group classes.
Most studio owners are paying instructors a flat fee averaging $26 to $50 / hour.
Common characteristics among the profitable studios
Profitable studio responses closely mirror those of the overall responses

#1 business objective for the rest of 2022

- Opening a new location: 14%
- Implementing new SOPs: 9%
- Launching new programs: 5%
- Expanding virtual offerings: 2%

Increasing membership: 70%

Payment method for majority of clients

- Class packages: 16%
- Equally split between memberships & packages: 16%
- Auto-renewing packages: 7%
- Through third party partners: 3%

Recurring memberships: 58%

Instructor Pay Method

- Flat fee: 44%
- Flat fee + bonus based on headcount: 35%
- Tiered pricing: 10%
- Other: 5%

Avg pay for instructors

- $26 to $50: 54%
- $51 to $75: 26%
- $25 or under: 16%
- $76 to $100: 4%
Most profitable studios are located in cities in blue states.
Our Analysis

What does it all mean?
The industry is recovering based on the fact that 69% of studios are earning at least 75% of their 2019 revenues and that 43% are profitable year to date. Broad data findings support this based on the recent 11.2% rise of wages in the leisure and hospitality sector, which includes fitness.

69% of studios are earning at least 75% of their 2019 revenues
With profitable studio responses closely mirroring the overall survey responses, hypotheses can be made that the main drivers of studio profitability are:

- Affordable rent
- Profit-focused pricing
- Realistic payroll costs
- High client visits
“Visits are the currency by which you gauge how well your business is doing”

Dr. Paul Bedford
The Retention Guru
There is still a large segment of studio owners who have a growth mindset and are looking for growth strategies.

- **61%** of studio owners are focused on growing membership.
- **19%** of studio owners are working to develop a growth strategy.
- **10%** of studio owners are focusing on opening a new location THIS year.
Our Recommendations
As we stated in our Spring 2022 State of the Industry Report, returning to client building basics is a must. This is supported today by the fact that the majority of studios remain focused on increasing memberships and client acquisition.

What do we mean by client building basics? Leaning into, defining, and emphasizing the sales processes, new client processes, nurture sequences, and retention strategies that you know to have major impact.
Focus on recurring revenue

The most successful studios have recurring memberships and the experts continue to support a business model focused on recurring revenue. If you do not offer recurring memberships, we strongly encourage you to include them in your 2023 strategy.
Introduce high dollar services

Include a special high dollar offer with a high profit margin in your ongoing service portfolio or in your Holiday offers. This could mean private sessions or customized programs, whatever you can offer your most exclusive and affluent clients.

What’s the rationale? Selling three or four high dollar packages can be the difference between breakeven and profitability for the business and, as with any recession, your affluent clients are likely to be the ones still spending.
Lean into retention as a driver for growth

With client acquisition and marketing being an ongoing challenge, look to grow your revenue by increasing existing client retention and frequency. Focus on getting all clients on at least a 1x/week membership and be ready to watch your revenue and retention consistently trend up.
“We are here as a resource to help the industry navigate these headwinds, tailwinds, opportunities and recommendations for your business, today, tomorrow and for the future”

- Julian Barnes
  Co-Founder and CEO of BFS

“Continue being adaptable and flexible. It is not the strongest that survive, it’s the one that is most adaptable to change. Stay comfortable with being uncomfortable”

- Nt Etuk
  Co-Founder and Chairman of BFS
BFS is a membership based peer-to-peer network & business education provider.

We’re on a mission to educate, connect and empower boutique fitness businesses to help them launch, manage and scale their businesses.

To inquire how to join the BFS Network, contact the Executive team at execteam@boutiquefitnesssolutions.com
Thank you to our Strategic Partners